Manitoba

Annual Report 1988 - 89

Housing

The Manitoba
Housing and Renewal
Corporation

91-00105/

Minister of Housing

Room 317
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-0073

The Honourable George Johnson
Lieutenant-Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of The Department of Housing and The Manitoba Housing and Renewal Corporation for the fiscal year ending March 31, 1989.

Respectfully submitted,

Gerald Ducharme

Manitoba

Deputy Minister of Housing

603-287 Broadway
Winnipeg, Manitoba, CANADA
R3C 0R9

The Honourable Gerald Ducharme
Minister of Housing
Room 317, Legislative Building
Winnipeg, Manitoba

Dear Sir:

I have the honour of submitting the Annual Report of the Department of Housing and the Manitoba Housing and Renewal Corporation for the fiscal year ending March 31, 1989.

During the year under review, a high level of activity was maintained in the provision of adequate affordable shelter for Manitobans in need. In total, some 860 units were committed for low-income families and seniors and those with special needs, provided through joint programs cost-shared with the federal government. In addition, almost $17 million in mortgage loans/guarantees was provided for 389 units under provincial-only programs.

Two Manitoba Housing projects were recipients of national awards for innovative housing for seniors. The Sokol project in Brandon was honoured for incorporating a seniors residence and an elementary school in one facility. Kiwanis Chateau and Manitoba Housing shared an award for the "Life-Lease" concept, facilitated by the department's Seniors RentalStart program. Seniors RentalStart has been extensively utilized, providing financing for some 732 units since its inception in 1986.

In the aftermath of the International Year of Shelter for the Homeless, the department approved financing for Veteran's Manor, a 60 unit apartment and hostel complex adjacent to Winnipeg's Main Street strip. The project will offer an affordable housing option to aging veterans whose lives have centred around the hotels and boarding houses in the Main Street area.

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An internal restructuring and streamlining of the Landlord and Tenant Affairs Branch undertaken in the early part of the fiscal year resulted in improved service to the public. The time it takes to resolve a dispute was reduced considerably. Whereas it used to take an average 145 days to close a file, it now takes 60 days - an improvement of 59% in turn-around time. This improvement is due to two things: improved computer systems and a restructuring of the branch, which included the creation of an Information Unit to handle many of the phone enquiries previously directed to officers.

1988/89 was a very productive year both in the continuing delivery of traditional programs and in the exploration of non-traditional housing alternatives and opportunities. The department has made significant progress in meeting the shelter needs of battered women and their children; those handicapped by physical, emotional or mental conditions; and Manitobans on modest incomes. This has been accomplished with recognition of the continued need for fiscal restraint and efficiency of program administration and delivery.

Respectfully submitted,

Saul Schubert

TABLE OF CONTENTS

ROLE AND MISSION STATEMENT 1

ORGANIZATION CHART 2

MAIN AND SUB-APPROPRIATIONS
- General Administration 3
- Property Management and Landlord and Tenant Affairs 5
- Program Delivery 7
- Transfer Payments to MHRC 10
- Expenditures Related to Capital Assets 10

NON-PROFIT HOUSING
- Public Non-Profit Housing Program 11
- Municipal Non-Profit Housing 12
- Private Non-Profit Housing Program 13
- Rural and Northern Housing Program 14
- Urban Native Program 15
- Grants to Elderly and Infirm Persons Housing 16
- Rent Supplement Program 16
- Remote Housing Program Conversions 16
- Special Needs Housing 17

HOUSING UNITS BY COMMUNITY
- Area #1 - Winnipeg 18
- Area #2 - Interlake 18
- Area #3 - Eastman 19
- Area #4 - South Central 21
- Area #5 - Brandon 22
- Area #6 - Parkland 24
- Area #7 - Norman West 25
- Area #8 - Norman East 25

MORTGAGE PROGRAMS
- Seniors RentalStart 27
- Rural RentalStart 28
- Mobile Home Loan Guarantee Program 28
- Cooperative HomeStart Program 29
- Rural Mortgage Lending Program 30
- Churchill Mortgage Loan Guarantee Program 30

LAND BANK AND LAND INVENTORY 31

SHELTER ALLOWANCES
- School Tax Assistance for Tenants 55 Plus 32
- Shelter Allowances for Elderly Renters (SAFER) 33
- Shelter Allowances for Family Renters (SAFFR) 33

HOUSING REHABILITATION
Critical Home Repair Program 35
Residential Rehabilitation Assistance Program 35

CORE AREA
Core Area Initiative Grant to Homeowners 36
Core Area Initiative Home Repair Program 36
Core Area Home Renovation Program 37
Infill Housing Program 37

LANDLORD AND TENANT AFFAIRS
Landlord and Tenant Affairs Branch 38
Information/Education Unit 38
Office of the Rentalsman 38
Rent Regulation Bureau 39
Rent Appeals Branch 40

FINANCIAL STATEMENT - MANITOBA HOUSING 42

AUDITOR'S REPORT - THE MANITOBA HOUSING AND RENEWAL CORPORATION 45

ROLE AND MISSION STATEMENT:

The Department of Housing and the Manitoba Housing and Renewal Corporation (crown corporation) work together to influence and participate in the major activities of the housing and residential tenancies markets. They are mandated to carry out their activities through the Housing and Renewal Corporation Act, the Landlord and Tenant Act, the Residential Rent Regulation Act, the Condominium Act, and the Elderly and Infirm Persons Housing Act.

The department delivers all programs and funds grant and regulatory programs. The crown corporation has no staff; it exists as the department's agent as a vehicle for funding capital projects and their ongoing operating costs. The Minister responsible chairs the Board and senior departmental staff sit as board members.

The department's mandate is as follows:

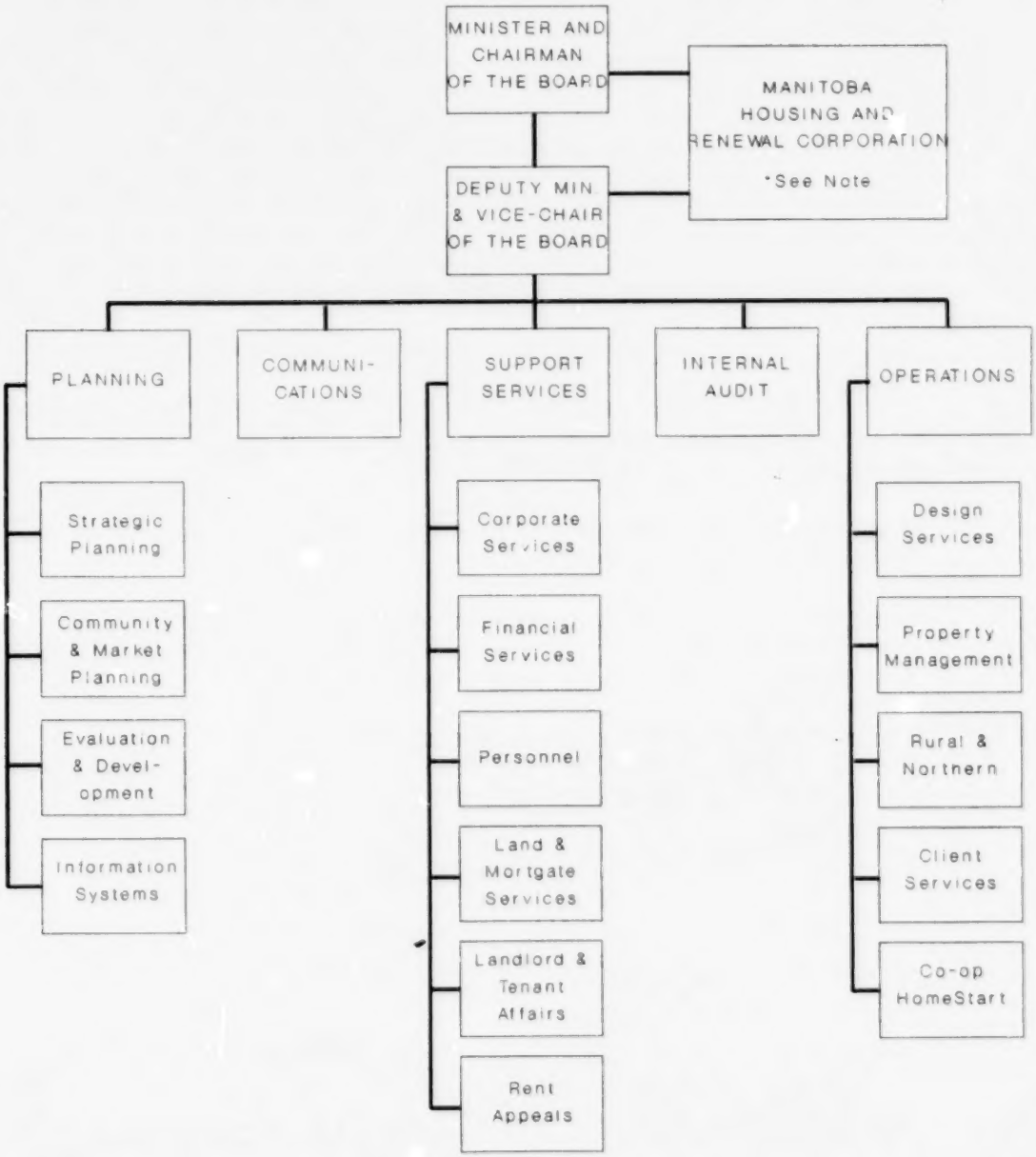
- to assist low-income persons who are otherwise unable to obtain adequate affordable shelter in the marketplace;

- to provide a mechanism for the equitable resolution of disputes between landlords and tenants; and

- to recognize and facilitate the private housing industry as the major provider of housing and to otherwise intervene in the market only where it is considered essential to the public interest.

For the sake of clarity, in the program narrative that follows, there is no distinction made between the department and the corporation, although they are identified separately, as required for financial reporting purposes, in the audited financial statements.

*Note: Members of the Board of Directors of the Manitoba Housing and Renewal Corporation function as division heads of the department. The Corporation has no staff, with all services to the corporation provided by the department.



MAIN AND SUB-APPROPRIATIONS

1) GENERAL ADMINISTRATION: This main appropriation provides executive direction through the Minister's and Deputy Minister's office. Support for the operating programs of the department are provided through (a) Minister's salary (b) Executive support (c) Research and Planning, (d) Communications, and (e) Support Services.

a) **Minister's salary (30-1A)**: Provides direction to the department consistent with the government's policies and priorities.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
Salaries	$10,300	$10,300	$ --

b) **Executive Support (30-1B)**: Provides executive support and direction to the department through the deputy minister's and minister's offices. Provides program recommendations to the minister and cabinet.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
Salaries	$171,700	$173,600	$ (1,900)
Other expenditures	42,800	56,000	(13,200)
Total expenditures	$214,500	$229,600	$(15,100)

c) **Research and Planning (30-1C)**: Provides planning, program development, program coordination, forecasting and statistical services to the department in support of strategic and operational decision making.

Major accomplishments over the past fiscal year included the preparation of numerous submissions and reports on the department's policies and resource allocation; the coordination of all social housing activity through five federal-provincial programs, as well as various unilateral provincial programs and development of the 1988/89 Three Year Social Housing Plan, involving designation of units by community.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
Salaries	$419,600	$444,600	$(25,000)
Other expenditures	129,200	147,900	(18,700)
Total expenditures	$548,800	$592,500	$(43,700)

d) **Communications (30-1D)**: Communicates the department's programs and policies to the general public, as well as other government departments, and integrates communications strategy into departmental planning.

Major accomplishments were the coordination and production of the department's annual report, the production and translation of 23 factsheets into seven different languages; producing approximately 50 news releases; publishing a quarterly newsletter; and implementing the publicity requirements of the three-year Canada-Manitoba global agreement on housing, including joint brochures, signage and official ceremonies.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)	
Salaries	$121,100	$130,400	$ (9,300)	
Other expenditures	119,600	173,500	(53,900)	(1)
Total expenditures	$240,700	$303,900	$(63,200)	

(1) It was anticipated that significant communication costs would be necessitated by new landlord and tenant legislation, expected to be introduced in the 1988/89 fiscal year. However, since the legislation was postponed, the expenditures were not necessary.

e) **Support Services (30-1E)**: Provides general financial and accounting services; fiscal administration of grants and assistance programs; personnel and payroll administration. Also provides loan and mortgage administration for programs such as Seniors RentalStart and Co-op HomeStart; support for corporate functions and contract administration for the department and MHRC; and data processing and computer services/systems support to the department. This branch also includes the office of the internal auditor which monitors the department's policies, programs and controls.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
Salaries	$1,506,500	$1,509,700	$ (3,200)
Other expenditures	1,251,500	1,419,300	(167,800)
Total expenditures	$2,758,000	$2,929,000	$(171,000)

2) **PROPERTY MANAGEMENT AND LANDLORD AND TENANT AFFAIRS:**

a) **Administration (30-2A):** Provides executive direction and coordination to Property Management and Landlord and Tenant Affairs.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
Salaries	$87,400	$8 ,000	$ 400
Other expenditures	9,100	7,800	1,300
Total expenditures	$96,500	$94,800	$1,700

b) **Landlord and Tenant Affairs (30-2B):** Regulates the amount and frequency of rent increases to residential premises; provides a forum whereby decisions by the Rent Regulation Bureau regarding rent increases can be appealed; and mediates and or arbitrates all security deposit and other disputes between landlords and tenants.

Accomplishments over the past fiscal year included the receipt and processing of some 5,000 non rent disputes; 6,122 applications for above guideline rent increases; and the review of some 2,400 rent appeals.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
Salaries	$1,904,000	$2,114,500	$(210,500)
Other expenditures	205,800	229,700	(23,900
Total	$2,109,800	$2,344,200	$(234,400)

c) **Property Management (30-2C)**: Coordinates approximately 150 local housing authorities, non-profit, co-op and urban native housing sponsors administering almost 20,000 subsidized housing units. Also administers rent supplement agreements for some 1,700 privately owned units.

Accomplishments included the negotiation of 22 new rent supplement agreements and 16 new private non-profit agreements; and completion of 111 management audits.

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)	
Salaries	$1,002,400	$1,156,000	$(153,600)	
Other	199,800	261,500	(61,700)	(1)
Total	$1,202,200	$1,417,500	$(215,300)	

(1) As a result of high staff turnover, planned branch activities, such as travel to rural housing authorities for property management seminars, were deferred.

3) PROGRAM DELIVERY

This main appropriation oversees the construction of new and renovation of existing housing stock, including private, public and non-profit sectors through the Delivery Services branch. And, through the Client Services branch, it provides subsidies and grants to low-income homeowners and renters.

a) **Land and Mortgage Services (30-3A)**: Acquires land for departmental building programs; provides direction and planning for subdivision development and marketing; and processes and underwrites mortgage loan applications.

	Actual	Estimate	Variance
Salaries	$ 489,300	$ 504,200	$ (14,900)
Other	2,401,300	2,513,800	(112,500)
Total	$2,890,600	$3,018,000	$(127,400)

b) **Delivery Services (30-3B)**: Within this sub-appropriation, the Design Services branch is responsible for the direct delivery of the department's public and private non-profit housing programs and for providing technical services (design, tendering and construction supervision) for all building programs. In the past fiscal year, it committed 168 housing units for families, 160 for elderly persons and 71 for women's crisis shelters, at a total capital cost of $24.5 million.

Also within this sub-appropriation, the Rural and Native branch delivers the Rural and Native Housing program and oversees delivery of the Urban Native non-profit housing program. Under the two programs, 154 non-profit units were provided for families and 38 for seniors.

	Actual	Estimate	Variance
Salaries	$715,500	$688,900	$26,600
Other	111,000	125,400	(14,400)
Total	$826,500	$814,300	$12,200

c) **Client Services (30-3C)**: This branch administers the Shelter Allowance Programs (SAFER, SAFFR and PTSTA) providing rent subsidies and rebates to an annual client base of 16,000. It processes and maintains case files for individual clients and responds to client inquiries (telephone, walk-in) to a monthly average of over 3,000.

c) **Client Services (30-3C)** cont.

The branch also has responsibility for home repair programming through the following programs: Critical Home Repair Program (CHRP), Rural Residential Rehabilitation Assistance Program (RRAP), Core Area Initiative Home Repair Program (CAIHRP) and Core Area Home Renovation Program (CAHRP). It also administers grants for the purchase of new homes through the Core Area Initiative Grant for Home Ownership (CAIGHO).

As the active party in delivery of Rural RRAP loan applications are received from the Manitoba Metis Federation and underwritten by this branch. As well, Core Area loan applications for CAIHRP and CAHRP are submitted by the City of Winnipeg and underwritten. During this fiscal year 1,370 loans were approved.

During this fiscal year, the branch implemented two new Core Area programs to provide incentives for the upgrading of existing housing stock located in the core area of Winnipeg (CAHRP) and to stimulate construction of new housing units (CAIGHO).

This sub-appropriation also acts as a delivery agent on behalf of CMHC, for preparing application packages, carrying out inspections and recommending loans for the Disabled and Landlord components of RRAP in designated communities throughout rural Manitoba.

The Inspection Services section of the branch provides inspection services to other areas of Housing and to other government departments.

	Actual	Estimate	Variance
Salary	$1,540,200	$1,583,400	$(43,200)
Other	376,300	347,500	28,800
Total	$1,916,500	$1,930,900	$(14,400)

Grants and Subsidies (30-3D): Provides grants and subsidies to low and moderate income clients and non-profit housing sponsors to reduce rental costs or make home repairs.

In the past fiscal year, 2,012 family households and 4,624 senior households zreceived shelter allowance benefits.

Approximately 10,000 pensioner renters received school tax rebates. Approximately 1500 homeowners and landlords benefitted from core area home repair programs administered by Manitoba Housing.

Grants and Subsidies (30-3D) cont.

	Actual	Estimate	Variance
Shelter Allowance for Elderly Renters	$4,677,200	$4,846,700	$(169,500)
Shelter Allowance for Family Renters	1,557,800	1,760,000	(202,200)
Elderly and Infirm Persons' Housing Grant	187,700	206,000	(18,300)
Core Area Initiative Home Repair Program	497,400	522,100	(24,700)
Co-op HomeStart Grants	113,900	180,000	(66,100)
Urban Renewal Grants	5,700	12,300	(6,600)
Pensioner Tenants School Tax Assistance	1,921,000	2,140,000	(219,000)
Recoverable from Finance	(1,921,000)	(2,140,000)	219,000
Total	$7,039,700	$7,527,100	$(487,400)

4) **TRANSFER PAYMENTS TO MHRC (30-4)**: Provides funding to MHRC to subsidize operations of social housing programs; to provide loans, mortgages and subsidies under various housing programs; and to finance annual loan forgiveness to private non-profit housing developments and low-income homeowners.

	Actual	Estimate	Variance
Total transfers	$30,102,100	$26,885,200	$3,216,900(1)

(1) Refer to MHRC financial statements.

5) **EXPENDITURES RELATED TO CAPITAL ASSETS (30-5)**: Provides financial assistance through direct grants for home repair programs and new home ownership incentives in the core area.

a) Critical Home Repair (30-5A-1)
Hardship Grants

	Actual	Estimate	Variance
Grants and Transfer payments	$40,400	$130,000	$(89,600)(1)

b) Core area home repair programs (30-5B) $372,500 $1,192,000 $(819,500)(2)
Less: Recoverable from Urban Arrairs ($372,500) ($1,192,000) $(819,500)

(1) This was a new program implemented in 1987-88, and no take-up statistics were available for preparing the 1988/89 estimates. Anticipated take-up did not materialize.

(2) Implementation of the program was delayed until the last quarter.

NON-PROFIT HOUSING

PUBLIC NON-PROFIT HOUSING PROGRAM (MHRC-OWNED)

The Public Non-Profit Housing Program is aimed at providing adequate and affordable housing for low-income seniors and families. The need for these projects is determined by the waiting lists at MHRC housing authorities and through need and demand studies in communities. The housing projects are owned and capital funded by MHRC.

Ongoing operating costs, including loan repayment, are shared on a 75-25 percent basis by the federal and provincial governments.

PUBLIC NON-PROFIT HOUSING PROGRAM
Committed April 1, 1988 to March 31, 1989

PROJECT/LOCATION	UNIT TYPE	UNIT COUNT	CAPITAL COST
1487 Winnipeg/814 Arlington, Wpg.	F	12	$ 750,287
461-465 Aberdeen, Wpg.	F	4	258,521
331 Sutton St., Wpg.	F	5	339,266
Steinbach, MB	F	6	394,936
Winkler, MB	F	4	251,426
Thompson, MB	F	10	962,261
Brandon, MB scattered	F	10	799,641
Osborne House Abuse Centre	S	45	1,295,550
Thompson Crisis Shelter	S	26	331,964
		122	$5,383,852

F denotes Family
S denotes Shelter

MUNICIPAL NON-PROFIT HOUSING

Winnipeg Housing Rehabilitation Corporation receives an annual allocation from the federal and provincial governments to provide non-profit housing in the core area. The projects are mainly renovations and are capital funded by MHRC. Ongoing operating costs, including loan repayment, are shared on a 75-25 percent basis by the federal and provincial governments. The projects are owned and managed by WHRC.

WHRC HOUSING PROGRAM
Committed April 1, 1988 to March 31, 1989

PROJECT/LOCATION	UNIT TYPE	UNIT COUNT	CAPITAL COST
Laura, Logan and Penrose House	F	5	$ 465,000
86 Young St.	F	12	774,000
275 Colony St.	F	18	1,046,996
484 Toronto St.	F	12	774,000
271-275 Young St.	F	15	937,500
		62	$3,997,496

F denotes Family

PRIVATE NON-PROFIT HOUSING PROGRAM

MHRC and CMHC provide assistance to non-profit groups to develop non-profit housing for families and seniors. These groups may provide equity toward the project. Capital costs of the project under this program are provided by the province, with ongoing operating costs, including loan repayment, subsidized on a 75-25 percent basis by the federal and provincial governments. Under this program, the non-profit groups own the projects and are responsible for ongoing property management.

PRIVATE NON-PROFIT HOUSING PROGRAM
Committed April 1988 to March 31, 1989

	LOCATION	UNIT TYPE	NUMBER UNITS	CAPITAL COST
Joint Veterans Housing Soc.	Winnipeg	E	56	$ 3,967,900
Grace Housing Co-op	Winnipeg	F	43	3,270,097
Riverdale Srs. Housing	Rivers	E	12	751,851
Le Chalet de LaBroquerie	La Broquerie	E	12	784,168
Gateway Manor South	Teulon	E	14	862,693
Manoir St. Pierre	St. Pierre	E	16	949,995
Thompson Seniors Housing	Thompson	E	15	1,068,314
Saigon Centre (Vietnamese)	Winnipeg	F	2	140,000
Chalet Malouin Inc.	St. Malo	E	35	2,415,000
M.A.P.S. Co-op	Winnipeg	F	10	893,000
			215	$15,109,018

NOTE: All the above projects are owned by the sponsor group

* Two additional units were incorporated this fiscal year into a 52-unit project committed in fiscal 1987-88.

RURAL AND NORTHERN HOUSING PROGRAM

The Rural and Northern Housing Program is a federal/provincial undertaking under the provisions of Section 40 of The National Housing Act.

The program operates in communities with populations of 2,500 or less and provides for the development and operation of self-contained rental duplex and motel-type units for senior citizens and single detached rental or ownership units for families.

Costs for this program are shared by MHRC and the Canada Mortgage and Housing Corporation. CMHC provides 75 percent of the capital and operating costs and MHRC provides the remaining 25 percent. Rents for these units are geared to tenant income in accordance with the MHRC rental scale. In the communities listed below, MHRC played the lead role in project development and owns the units.

RURAL AND NORTHERN HOUSING PROGRAM
Committed April 1988 to March 31, 1989

Location	Unit Type	Number of Units	Capital Cost
Starbuck	E	12	$538,581
Westbourne	E	8	463,512
Amaranth	E	6	404,937
Clearwater	E	4	202,628
St. Jean Baptiste	E	8	494,604
Mitchell	F	2	163,056
Sidney	F	1	87,000
		41	$2,354,318

E denotes elderly
F denotes family

In northern Manitoba and certain rural communities in the south, additional Rural and Northern housing units are delivered by the Manitoba Metis Federation. Manitoba Housing provides 25 percent of the capital and operating costs; CMHC provides 75 percent and administers the buildings.

In 1988-89, the Manitoba Metis Federation delivered 135 units under this program, with a total capital cost of $11,569,275.

URBAN NATIVE NON-PROFIT HOUSING PROGRAM

The Urban Native program is a federal-provincial initiative which assists non-profit native corporations to provide affordable, adequate rental housing to native families in need.

Under the program, native non-profit housing corporations are provided mortgage financing to construct or acquire housing units. These units are rented to native clients migrating to urban centres (over 2500 population). Title to the units is in the name of the native non-profit corporations, with Manitoba Housing holding the mortgages. Rents charged by the corporations are based on 25 percent of the tenant's income. The revenues generated under this formula are inadequate to cover all costs, resulting in deficits. Consequently, subsidies are provided which are cost-shared by Canada Mortgage and Housing Corporation and Manitoba Housing and Renewal Corporation on a 75-25 percent basis.

With the increased migration of natives from northern and remote communities to urban centres, Manitoba Housing has experienced considerable growth in the demand for units. At the same time, CMHC's allocation of urban native units to Manitoba has decreased in recent years.

When Manitoba Housing assumed responsibility for the Urban Native program in 1986, delivery was restricted to single-family units. Currently, new initiatives are being considered. Requests are being received for special purpose housing, i.e. native womens' shelters, hostels, etc. It is anticipated that demand for similar facilities will increase as native organizations assume greater responsibility for their own affairs.

Non-Profit Corporation	Location	No. of Units	Capital Cost
Aiyawin Corporation	Winnipeg	20 F	$1,382,189
Payuk Inter-Tribal Co-op	Winnipeg	42 F	3,230,113
Anicinabe Housing Corp.	Dauphin	15 F	917,625
Dakota Ojibway Tribal Council	Winnipeg	10 F	703,498
	Brandon	21 F	1,491,537
	Port.la Prairie	12 F	854,197
Kinew Housing Corp.	Winnipeg	21 F	1,485,475
Swan River Friendship Centre	Swan River	10 F	659,951
TOTAL		151	$10,724,585

GRANTS TO ELDERLY AND INFIRM PERSONS HOUSING

Prior to June 1976, approved sponsors licensed under the Elderly and Infirm Persons' Housing Act (E & IPH) were eligible to receive capital grants of up to $1,700 for each single unit and $2,150 for a double unit. These grants are paid to licensed sponsors over a 50 year period, and serve to reduce the rental charges to tenants.

Grants disbursed this fiscal year totalled $187,700.

RENT SUPPLEMENT PROGRAM

Rent Supplement is a federal/provincial cost shared program which reduces the rent of low-income tenants in certain private market suites to 25 percent of their income. In the fiscal year under review, rent supplement agreements were put in place for an additional 190 private market suites, bringing the total number of rent supplement units at March 31, 1989 to 1481.

Total benefits under the program were $3,541,256, of which the federal share was $1,791,842 and the provincial share was $1,749,414.

REMOTE HOUSING PROGRAM CONVERSIONS

A number of homes were developed prior to 1975 in northern and remote areas of the province under the old Remote Housing program. Initially, this program was a rent-oriented program with provisions in the lease whereby the tenants were permitted to accumulate the rental payments toward the eventual purchase of the homes.

During the fiscal year ending March 31, 1989, 19 remote homes were converted to ownership.

SPECIAL NEEDS HOUSING

MHRC works in close cooperation with other government agencies, as well as non-profit groups and organizations, to provide appropriate housing for Manitobans with physical, mental or emotional disabilities. Apartments in public and private non-profit projects, as well as in the private rental marketplace, are modified to meet the special needs of residents. Rent subsidies and support services are available to assist the residents in achieving supportive community living.

Past accomplishments of this policy include "Focus Manitoba" and "Housing with an Independent Difference, Inc." composed of five projects with over 50 modified units and on-site support staff to help participants achieve maximum independence in spite of severe physical handicaps.

During this fiscal year, the Department purchased and renovated a new facility for Osborne House in Winnipeg and assisted the Thompson Crisis/Second Stage shelter by renovating its existing premises. These two projects represent a commitment of over $1.5 million in capital and by example indicate the department's continued commitment to providing assistance to women in need throughout the province.

Under its Private Non-Profit Housing Program, the department provided financing and on-going operational subsidies to the Grace Housing Co-op for the construction of a 43 unit project which combines housing for low-income families with post psychiatric patients.

Also under the Private Non-Profit Program, the department assisted the Joint Veterans Housing Society Inc. to meet the housing needs of "hard to house" aging veterans who have been rejected from other facilities because of behaviourial problems and who are living in core area hotels or rooming houses with inadequate facilities. The project is a 60 unit facility (56 independent living one-bedroom units and four hostel suites) in Winnipeg's Core Area.

A further special needs project funded this year was for mentally handicapped adults. Mortgage financing of $81,600 was provided to St. Amant Centre Inc. for the purchase of a single family house for three residents.

Special Needs Housing for persons with unique shelter and support requirements remains a priority of the Department.

HOUSING UNITS BY COMMUNITY

Location	Other	Family	Seniors	RS	E&IPH	Total
AREA #1 - WINNIPEG						
Winnipeg Regional	13	3,823	2,614	662	3,900	11,012
City of Winnipeg	0	1,053	136	57	0	1,246
Sponsors	1	1,034	2,260	443	317	4,055
Total	14	5,910	5,010	1,162	4,217	16,313
AREA #2 - INTERLAKE						
Arborg	0	10	33	0	0	43
Ashern	0	23	32	0	0	55
Balmoral	0	0	6	0	0	6
Clandeboye	0	1	0	0	0	1
Eriksdale	0	8	20	0	0	28
Fisher Branch	0	7	20	0	0	27
Fraserwood	0	0	12	0	0	12
Gimli	60	23	48	0	11	142
Gunton	0	1	0	0	0	1
Hodgson	0	0	6	0	0	6
Inwood	0	1	10	10	12	33
Kormarno	0	0	4	0	0	4
Lundar	0	0	8	0	18	26
Moosehorn	0	0	20	0	0	20
Oak Point	0	0	6	0	0	6
Poplarfield	0	0	8	0	0	8
Riverton	0	23	24	0	0	47
St. Martin	0	0	2	0	0	2
St. Laurent	0	34	20	0	0	54
Selkirk	1	363	139	0	35	538
Stonewall	0	8	28	0	40	76
Stony Mountain	0	0	12	0	0	12
Teulon	0	11	18	0	25	54
Whytewold	0	1	0	0	0	1
Winnipeg Beach	0	0	20	0	0	20
Woodlands	0	0	0	15	24	39
Total	61	514	496	25	165	1,261

Location	Other	Family	Seniors	RS	E&1PH	Total
AREA #3 - EASTMAN						
Anola	0	0	0	0	12	12
Beausejour	0	20	55	0	50	125
Berens River	0	18	0	0	0	18
Birds Hill	0	0	8	0	0	8
Blumenort	0	0	8	0	12	20
Cooks Creek	0	0	0	0	10	10
Dominion City	0	2	6	0	14	22
Dugald	0	0	0	0	10	10
East Selkirk	0	0	12	0	0	12
Garson	0	0	12	0	0	12
Grand Marais	0	0	8	0	0	8
Great Falls	0	1	0	0	0	1
Grunthal	0	0	32	0	0	32
Hadashville	0	3	4	0	0	7
Ile des Chenes	0	0	12	0	0	12
La Broquerie	0	0	0	0	7	7
Lac du Bonnet	0	10	38	0	0	48
Little Grand Rapids	0	5	0	0	0	5
Lockport	0	1	0	0	0	1
Lorette	0	6	14	0	0	20
Manigotogan	0	7	0	0	0	7
Middlebro	0	4	4	0	0	8
Mitchell	0	3	0	0	0	3
New Bothwell	0	1	0	0	0	1
Niverville	0	7	15	0	0	22
Oakbank	0	0	14	0	0	14
Pine Falls	0	0	0	0	18	18
Piney	0	3	10	0	0	13
Powerview	0	13	4	0	0	17
Prawda	0	0	2	0	0	2
Princess Harbour	0	2	0	0	0	2
Richer	0	0	8	0	0	8
Seymourville	0	4	0	0	0	4
South Junction	0	5	2	0	0	7
Sprague	0	8	12	0	0	20
Steinbach	1	41	0	1	178	221
Ste. Agathe	0	0	12	0	0	12
Ste. Anne	0	4	0	27	55	86
St. Adolphe	0	0	12	0	0	12
St. George	0	0	15	0	0	15
St. Malo	0	2	0	0	46	48

St. Pierre	0	9	0	0	30	39
Tolstoi	0	1	0	0	0	1
Tyndall	0	0	12	0	0	12
Vassar	0	6	8	0	0	14
Victoria Beach	0	1	4	0	0	5
Vita	0	2	32	0	0	34
Whitemouth	0	2	12	0	0	14
Woodridge	0	3	10	0	0	13
Total	1	194	397	28	442	1,062

Location	Other	Family	Seniors	RS	E&1PH	Total
AREA #4 - SOUTH CENTRAL						
Altona	0	25	18	1	57	101
Austin	0	0	10	0	0	10
Baldur	0	1	0	0	9	10
Carman	0	21	47	0	54	122
Crystal City	0	1	0	0	20	21
Cypress River	0	0	0	3	12	15
Elie	0	0	0	0	12	12
Elm Creek	0	0	0	0	10	10
Emerson	0	1	16	0	12	29
Gladstone	0	1	0	1	38	40
Gretna	0	9	17	0	0	26
Holland	0	0	0	0	15	15
Langruth	0	0	4	0	0	4
La Riviere	0	0	0	2	12	14
Lasalle	0	0	6	0	0	6
Letellier	0	0	4	0	0	4
Lowe Farm	0	0	0	0	18	18
MacGregor	0	1	12	0	13	26
Manitou	0	17	0	0	17	34
Miami	0	0	0	0	18	18
Morden	0	43	60	6	58	167
Morris	0	17	26	0	23	66
Notre Dame	0	2	24	0	0	26
Oakville	0	0	10	0	0	10
Pilot Mound	0	8	0	0	24	32
Plum Coulee	0	0	30	0	0	30
Portage la Prairie	0	276	135	39	167	617
Rathwell	0	0	0	0	10	10
Rosenfeld	0	2	0	0	14	16
Somerset	0	7	0	0	30	37
Starbuck	0	0	0	0	8	8
St. Claude	0	4	8	0	12	24
St. Eustache	0	0	12	0	0	12
St. Jean Baptiste	0	0	0	0	12	12
St. Leon	0	1	4	0	0	5
Swan Lake	0	1	0	3	12	16
Treherene	0	1	4	0	14	19
Wellwood	0	1	0	0	0	1
Winkler	1	51	12	0	115	179
Total	1	491	459	55	816	1,822

Location	Other	Family	Seniors	RS	E&1PH	Total
AREA #5 - BRANDON						
Angusville	0	0	6	0	0	6
Belmont	0	0	12	0	0	12
Binscarth	0	3	16	0	0	19
Birtle	0	8	4	0	30	42
Boissevain	0	9	25	0	0	34
Brandon	1	430	386	37	198	1,052
Brookdale	0	0	2	0	0	2
Carberry	0	14	0	15	27	56
Cartwright	0	4	12	0	0	16
Deloraine	0	7	18	5	0	30
Douglas	0	1	0	0	0	1
Eden	0	1	0	0	0	1
Elkhorn	0	5	18	0	0	23
Elphinstone	0	0	4	0	0	4
Erickson	0	9	9	0	12	30
Foxwarren	0	0	6	0	0	6
Glenboro	0	5	14	0	12	31
Goodlands	0	1	4	0	0	5
Hamiota	0	6	15	0	45	66
Hartney	0	6	0	0	18	24
Kenton	0	0	8	0	0	8
Killarney	0	12	15	0	34	61
McCauley	0	0	4	0	0	4
Melita	0	8	0	0	50	58
Miniota	0	3	0	11	12	26
Minnedosa	0	13	56	0	16	85
Minto	0	0	4	0	0	4
Neepawa	0	15	106	0	69	190
Newdale	0	0	0	5	14	19
Oak Lake	0	0	20	0	0	20
Oakburn	0	3	4	0	0	7
Onanole	0	17	8	0	0	25
Rapid City	0	0	10	0	0	10
Reston	0	0	4	0	20	24
Rivers	0	15	12	0	10	37
Rossburn	0	3	26	0	0	29
Russell	0	19	40	0	12	71
Sandy Lake	0	1	12	0	0	13
Shoal Lake	0	0	0	0	27	27
Souris	0	7	60	6	11	84
St. Lazare	0	15	12	0	0	27

Strathclair	0	0	12	0	12	24
Virden	0	18	38	0	45	101
Vista	0	1	0	0	0	1
Wawanesa	0	0	0	0	12	12
Waskada	0	0	6	0	0	6
Total	1	659	1,008	79	686	2,433

Location	Other	Family	Seniors	RS	E&1PH	Total
AREA #6 - PARKLAND						
Alonsa	0	1	12	0	0	13
Bacon Ridge	0	1	0	0	0	1
Benito	0	0	30	0	0	30
Birch River	0	20	26	0	0	46
Bowsman	0	5	9	0	0	14
Camperville	0	10	12	0	0	22
Crane River	0	8	12	0	0	20
Dauphin	0	90	225	8	32	355
Duck Bay	0	6	4	0	0	10
Eddystone	0	0	12	0	0	12
Ethelbert	0	22	0	0	0	22
Fork River	0	2	0	0	0	2
Gilbert Plains	0	6	18	1	12	37
Glenella	0	0	10	0	0	10
Grandview	0	11	18	0	16	45
Inglis	0	0	10	0	0	10
Kelwood	0	3	10	0	0	13
Laurier	0	2	8	0	0	10
Mallard	0	7	2	0	0	9
McCreary	1	4	12	0	0	17
Minitonas	0	12	18	0	12	42
Ochre River	0	4	12	0	0	16
Pine River	0	8	10	0	0	18
Riding Mountain	0	1	0	0	0	1
Roblin	0	34	21	0	47	102
Rorketon	0	0	8	0	0	8
Sifton	0	0	8	0	0	8
Ste. Rose	0	9	53	0	0	62
Swan River	0	109	103	0	0	212
Waterhen	0	0	4	0	0	4
Winnipegosis	0	19	22	0	13	54
Total	1	394	689	9	132	1,225

Location	Other	Family	Seniors	RS	E&1PH	Total
AREA #7 - NORMAN WEST						
Barrows	0	8	0	0	0	8
Cormorant	0	18	2	0	0	20
Cranberry Portage	0	8	10	0	0	18
Dawson Bay	0	1	0	0	0	1
Easterville	0	10	0	0	0	10
Flin Flon	0	70	81	17	20	188
Grand Rapids	0	27	10	0	0	37
Mafeking	0	10	6	0	0	16
Moose Lake	0	20	4	0	0	24
Pelican Rapids	0	10	2	0	0	12
Sherridon	0	9	0	0	0	9
Snow Lake	0	0	4	0	0	4
The Pas	1	149	108	39	0	297
The Pas - Big Eddy	0	19	6	0	0	25
The Pas - Youngs Point	0	19	6	0	0	25
The Pas - Umperville	0	37	6	0	0	43
The Pas - Rhal's Island	0	1	0	0	0	1
Wanless	0	4	2	0	0	6
Total	1	420	247	56	20	744
AREA #8 - NORMAN EAST						
Brochet	0	15	0	0	0	15
Churchill	89	173	10	67	0	339
Cross Lake	0	12	4	0	0	16
Gillam	0	7	0	0	0	7
God's Lake	0	5	0	0	0	5
Granville Lake	0	0	4	0	0	4
Ilford	0	19	0	0	0	19
Leaf Rapids	191	22	0	0	0	213
Nelson House	0	9	0	0	0	9
Norway House	0	19	4	0	0	23
Pikwitonei	0	9	0	0	0	9
South Indian Lake	0	1	0	0	0	1
Thicket Portage	0	18	0	0	0	18
Thompson	0	94	0	0	0	94
Wabowden	0	41	16	0	0	57
Total	280	444	38	67	0	829

Location	Other	Family	Seniors	RS	E&1PH	Total
Area #1	14	5,910	5,010	1,162	4,217	16,313
Area #2	61	514	496	25	165	1,261
Area #3	1	194	397	28	442	1,062
Area #4	1	491	459	55	816	1,822
Area #5	1	659	1,008	79	686	2,433
Area #6	1	394	689	9	132	1,225
Area #7	1	420	247	56	20	744
Area #8	280	444	38	67	0	829
Total	360	9,026	8,344	1,481	6,478	25,689

Note: 276 rent supplement units have been licensed under the Elderly and Infirm Persons Housing Act, therefore the total figure reflects partial double counting.

MORTGAGE PROGRAMS

SENIORS RENTALSTART

This program helps non-profit groups develop rental housing for seniors. Manitoba Housing provides up to 80% mortgage financing of the total cost of the project, with 10% of total costs normally forgivable. Sponsor and/or tenant equity provides the remaining 20 percent financing.

Through this program, the tenant equity or "life-lease" concept was introduced to Canada and has now become a popular method of financing seniors housing in this province. Prospective tenants pay a cash sum in advance (normally from $14,000 to $40,000) to help make the project feasible and to guarantee them security of tenure. When a tenant moves, the equity contribution is refunded. The life-lease advantages were recognized by the Canada Mortgage and Housing Corporation in 1988 when it named Manitoba Housing and the Kiwanis Chateau the joint recipients of the Award for Innovation in Housing for Seniors.

The construction of Seniors RentalStart projects provides an alternate housing option for people over 55, particularly in rural areas where apartment construction has lagged.

Since program inception in 1986, mortgage financing of $12,670,133 has been provided for 255 suites outside Winnipeg. In Winnipeg, mortgage financing of $26,102,1987 has been provided for 477 suites.

Projects committed in 1988/89 are as follows:

SPONSOR	PROJECT LOCATION	NO. OF SUITES	FINANCING
Stonewall & District Lions Club	Stonewall	52	$ 2,540,000
Gladstone Legion Senior Housing Inc.	Gladstone	16	811,000
Prairie Rose Apartments Inc.	Landmark	12	544,000
St. Mary Protectress Villa	800 Burrows Ave., Winnipeg	72	4,217,800
St. Michael's Villa Inc.	Yale St. E., Winnipeg	57	2,700,000
Winkler Home for the Aged Inc.	Winkler	23	1,125,133
TOTAL		232	$11,937,933

RURAL RENTALSTART

This program exists to encourage the development of multiple unit rental housing outside of Winnipeg, to address the reluctance by traditional mortgage lenders to provide financing on terms comparable to urban areas, and to foster a healthier balance between social and market rental housing in rural communities.

The program provides up to 75 percent mortgage financing at an interest rate of 9.75 percent. Projects may be as small as two units. Since 1984, the RentalStart program has resulted in the construction of 116 units outside Winnipeg, with $3,859,125 provided in mortgage financing. Projects financed during the current fiscal year:

MORTGAGOR	LOCATION	SUITES	FINANCING
72803 Manitoba Corp.	Carman	24	$ 960,000
Cayer, Narcisse & Sophie	Dauphin	8	260,000
		32	$1,220,000

MOBILE HOME LOAN GUARANTEE PROGRAM

Under this program, Manitoba Housing guarantees loans made by approved lenders for the purchase of mobile homes. This guarantee allows the lender to provide the loan at a lower interest rate and for a longer term, resulting in lower monthly payments by the borrower.

In 1988 the provincial program was temporarily suspended when a similar program was introduced by Canada Mortgage and Housing Corporation. However, due to implementation problems with the federal plan, Manitoba Housing reintroduced the provincial program.

	TOTAL UNITS	AMOUNT
Outstanding Guarantees as of March 31, 1989	631	$11,538,852
Guarantees Provided 1988/89	70	1,451,276
Claim settlements 1988/89	3	117,805

CO-OPERATIVE HOMESTART PROGRAM

This program was implemented to provide an incentive to purchase and rehabilitate existing apartment buildings, to convert non-residential buildings to multiple unit dwellings, or to encourage new construction of co-operative housing. Assistance is available to all incorporated non-profit housing co-operatives, and is provided in three programs.

Complementary Assistance (Program I and I "A)"

Provides co-operatives undertaking the construction of new housing projects under the federal Co-operative Housing Program with additional financial assistance. The assistance is in the form of grants to increase the affordability of the units for income-tested occupants. During the 1988/89 fiscal year, nine co-operatives received Complementary Assistance for a total expenditure of $267,505.

Mortgages for Renovation and/or Conversions of Existing Buildings (Program II)

This program, funded through MHRC, encourages the rehabilitation of existing older residential buildings and/or conversion of non-residential buildings to housing. Long term first mortgage loans are available to eligible housing co-operatives at favourable interest rates for up to 100 percent of acquisition and redevelopment costs. During the 1988/89 fiscal year, five mortgage loan applications were approved totalling $2,184,168 for 55 units.

Housing co-operatives which complete projects under this program are eligible for Further Assistance to improve their viability. They may receive operating grants to reduce the housing charges to competitive market levels. During 1988/89, seven co-operatives received Further Assistance for a total expenditure of $278,751.

Technical Resource Group Assistance (Program III)

Grants of up to a maximum of $17,500 are available to eligible housing co-ops to provide financial assistance for the initial promotion, planning and development work involved in organizing a housing co-operative. Start-up grants to 22 co-operatives totalling $113,900 were approved during 1988/89.

Share Equity Loan Program

This program provides interest-free loans to eligible lower income households to assist in the purchase of the shares required for membership in a housing co-operative. The loans are provided in the joint name of the member/occupant and the housing co-operative. During the 1988/89 fiscal year, loans were provided to 44 members in seven housing co-operatives for a total of $26,698.

RURAL MORTGAGE LENDING PROGRAM

The Rural Mortgage Lending Program provides for guarantees for residents of rural communities who have been refused mortgage financing because their property is not connected to a public sewage system. The guarantee agreement is between MHRC and the Cooperative Credit Society of Manitoba, whereby MHRC provides guarantees for the mortgages administered by various credit unions under the CCSM. Total contingency liability of the RMLP as at March 31, 1989 was $153,512.

CHURCHILL MORTGAGE LOAN GUARANTEE PROGRAM

Under this program, The Manitoba Housing and Renewal Corporation acts as a guarantor for residents of Churchill who cannot arrange N.H.A. insured high ratio loans. During the 1988/89 fiscal year, no new guarantees were made. The guarantees outstanding as at March 31, 1989 totalled $167,493.

While the loan guarantees are available to purchasers of either new or existing housing, equity guarantees are also available to buyers of new homes only. The equity provisions guarantee up to 50% of the purchaser's equity in the home, up to a maximum of 15% of the original price of the home.

LAND BANK AND LAND INVENTORY

In 1972, Manitoba Housing and Renewal Corporation implemented a land banking program, with the primary objective of ensuring a future supply of reasonably priced residential construction sites. The program was terminated in 1977 and in 1986, Cabinet declared that banked lands deemed unsuitable or not needed for residential development should be sold as surplus to MHRC's needs. Since then, the corporation has worked toward the orderly disposal of its forseeable surplus land.

The following is a summary of land activity from March 31, 1988 to March 31, 1989 as it relates to the disposal of surplus lands:

Disposed of and used for projects:

	ACREAGE	BOOK VALUE	SELLING PRICE
a) Rural	608.85	$1,225,766	$ 734,966
b) Urban	768.15	5,383,192	1,959,691
		$6,608,958	$2,694,657

SHELTER ALLOWANCES

SCHOOL TAX ASSISTANCE FOR TENANTS 55 PLUS

The School Tax Assistance for Tenants 55 Plus Program provides annual assistance of up to $175 to qualifying tenants to offset the school tax portion of rental costs. It is payable once a year. This program is administered by Manitoba Housing on behalf of the Department of Finance.

An application submitted during 1989 relates to rents paid during the 1988 calendar year.

Tenants aged 55 to 64 whose net income is less than $23,760 or pensioners aged 65 of age or older who rented their principal residence in the private rental market during the previous calendar year, are generally eligible.

Pensioners who were eligible during previous years, but who did not receive their rebate, can apply for benefits retroactively for up to four years.

Tenants living in elderly persons housing or non-profit housing for the elderly, which is exempt from taxation for school purposes, do not qualify for benefits under this program because rents in these housing units do not include school tax costs.

April 1, 1988 - March 31, 1989

Number of rebate cheques issued (includes multiple rebates for retroactive benefits, and applications received in previous fiscal year and paid in current fiscal year)	10,026	
Average benefits paid		
Singles	$171.72	
Couples	$173.24	
Household Sharers	$173.54	
Total expenditures for this fiscal year		$1,921,000

SHELTER ALLOWANCES FOR ELDERLY RENTERS (SAFER)

The SAFER program (Shelter Allowances for Elderly Renters) provides direct monthly cash assistance to persons aged 55 and over who rent their living accommodation in the private rental marketplace and whose rent exceeds 25 percent of household income. Persons residing in elderly persons' public housing, rent supplement housing or personal care homes are not eligible for benefits under this program.

The maximum benefit under the program is $150 per month, based on maximum eligible income qualifications of $15,700 for single renters and $17,890 for couples. Maximum rents on which claims can be made are $360 per month for a single renter and $410 per month for a couple.

The period of April 1, 1988 to March 31, 1989, provided the following assistance:

No. of pensioners households who received benefits during this fiscal year	4,624
No. of clients receiving benefits (as at March 1989)	4,018
Average monthly benefits:	
Singles	$98.75
Couples	$71.01
Shared Accommodation	$55.15
Clientele between 55 and 64 years of age	507
Clientele aged 65 and over	3,554
Total expenditure this fiscal year	$4,677,200

SHELTER ALLOWANCES FOR FAMILY RENTERS (SAFFR)

The SAFFR Program (Shelter Allowances for Family Renters) provides monthly cash benefits to assist eligible families who rent their accommodation in the private rental market place.

This program provides payments to cover up to 90 percent of eligible rent costs over 25 percent of income for lower income families. As incomes increase and rents decrease in proportion to income, the assistance is reduced.

Families who receive rental assistance through social allowance payments or who reside in government subsidized housing are not eligible for this program.

To qualify, there must be dependent children under 18 years of age living in the household.

SHELTER ALLOWANCES FOR FAMILY RENTERS (SAFFR) cont.

The maximum claimable rents are $400 for a two person family, $425 for a three person family, and $450 for a four person or larger family.

The maximum benefit available to families is $160 per month, with the actual amount calculated on the basis of rental costs and income.

The fiscal period of April 1, 1988 to March 31, 1989 brought forth the following data:

No. of families who received benefits during this fiscal year	2,012
No. of families receiving benefits as at March 31, 1989	1,120
Average monthly benefits:	
Two person households	$118.59
Three person households	$115.81
Four + person households	$125.86
Total expenditures for this fiscal year	$1,557,800

HOUSING REHABILITATION

CRITICAL HOME REPAIR PROGRAM

The Critical Home Repair Program was implemented to extend the life of existing housing stock that is at least five years old. The program provides eligible low-income homeowners with low interest loans and loan forgiveness to assist with critical repairs to their homes. Homeowners meeting certain eligibility criteria may receive hardship grants, covering the repayable portion of a loan.

In this fiscal year a total of 745 applications were approved. Commitments this fiscal year totalled $1,264,336. Hardship grants were approved to 43 homeowners for a total of $50,202.

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

The Residential Rehabilitation Assistance Program is a federal program that is cost-shared in rural areas with Manitoba Housing. The program is designed to prolong the life of existing dwellings. Under RRAP, qualifying homeowners may receive a home repair loan of up to $25,000 ($6,250 of which may be forgivable), depending on income, required repairs and location in the province.

In this fiscal year a total of 521 applications were approved. Commitments made by the department were $2,334,357 in forgivable loans and $728,291 in repayable loans.

NOTE: The repayable loan component of RRAP is financed by MHRC and is reflected in the corporation's financial statements.

CORE AREA

CORE AREA INITIATIVE GRANT TO HOMEOWNERS

Funded under the second Core Area Initiative Agreement, this program is designed to provide incentives to home buyers purchasing homes within the core area of Winnipeg. Conditional grants of $2,500 in non-targeted neighbourhoods and $8,500 in targeted neighbourhoods are available for new homes. There are no income limitations but the home must be the applicant's primary residence.

The grant is in the form of a forgivable loan earned at the rate of 20 percent per year. Any outstanding amount becomes payable if the residence is sold or ceases to be the applicant's principal residence.

The program was implemented during the last quarter of the fiscal year, with activity as follows:

As at March 31, 1989:

TARGETED NEIGHBOURHOODS	
No. of applications received	1
Total number approved	1
NON-TARGETED NEIGHBOURHOODS	
No. of applications received	14
Total number approved	5
Expenditures this fiscal year	$13,500

CORE AREA INITIATIVE HOME REPAIR PROGRAM

The objective of this program was to assist in the upgrading of existing housing stock in the core area of Winnipeg. The program ended to new applicants in the 1987/88 fiscal year. Activity during the current fiscal year relates to applications received prior to March 31, 1987

As at March 31, 1989

Total no. of recipients during fiscal year	1,395
Average monthly benefit	$35.81
Expenditures this fiscal year	$497,400

CORE AREA HOME RENOVATION PROGRAM

This program was implemented during the 1988-89 fiscal year, under the second Core Area agreement. The program provides loans of up to $15,000 for repairs, of which up to $7,500 can be forgiven over a five year period. It may also be used in conjunction with the federal RRAP program.

CAHRP may forgive an additional $1,250 where homeowners experience financial hardship in making essential repairs to their homes.

The housing unit must be the applicant's principal residence and be at least five years old.

April 1, 1988 - March 31, 1989

CAHRP APPLICATIONS, IN CONJUNCTION WITH RRAP

No. of applications received	96
No. of applications approved	94
No. of hardship grants approved	38

CAHRP APPLICATIONS ONLY

No. of applications received	12
No. of applications approved	10
No. of hardship grants approved	4

TOTAL COMMITMENTS

Forgivable grants	$266,989
Repayable loans	32,371
Hardship grants	41,595
TOTAL PROGRAM	$340,954

INFILL HOUSING PROGRAM

This program helps to rejuvenate Winnipeg's core area by providing new, single-family homes for sale on narrow infill lots. No houses were constructed during the fiscal year under review because of the difficulty in obtaining suitably-zoned lots. Only one property was acquired, bringing MHRC's inventory of infill lots to seven. However, efforts continue to acquire additional lots for a future building program.

LANDLORD AND TENANT AFFAIRS BRANCH

The Landlord and Tenant Affairs Branch consists of the Office of the Rentalsman, The Rent Regulation Bureau and an Information/Education Unit.

INFORMATION/EDUCATION UNIT

The Information/Education Unit serves as the initial contact with the public, responding to all general inquiries and providing assistance to walk-in clients. The unit also functions in the area of organizing public speaking engagements, workshops, seminars and informational displays for the public.

OFFICE OF THE RENTALSMAN

The Office of the Rentalsman is charged with the administration of The Landlord and Tenant Act and as such is concerned with all residential tenancies in Manitoba

The office is divided into three units, which are responsible for investigation, mediation and arbitration of disputes between landlords and tenants (except rent regulation matters).

1988/89 saw a continuing need for the services provided by this office. The distribution of new cases was as follows:

	1987/88	1988/89
Security deposit disputes	2,056	2,165
Request for repairs by tenants	812	670
Improper notice by landlord or tenant	1,306	796
Non-payment of utilities by landlord	198	195
Others	1,050	1,202
Total	5,422	5,028

Of this total, 4,329 originated in the Winnipeg region, 354 in the Brandon region and 345 in other towns and cities.

A total of 5,188 cases were closed in this year.

RENT REGULATION BUREAU

The Rent Regulation Bureau is responsible for the regulation of rent increases in the province of Manitoba pursuant to The Residential Rent Regulation Act.

The Act and its regulations outline the procedure by which a landlord of residential properties may apply for a rent increase higher than the guideline, and provides the means by which tenants may object to any rent increase, even if below the guideline amount.

The main responsibilities and functions of the Rent Regulation Bureau are as follows:

- receiving and reviewing landlords' applications for rent increases above the guideline;
- receiving and reviewing tenants' objections to any rent increases;
- recommending allowable rent increases based on landlords' applications and tenants' objections
- investigating non-compliance with the legislation; and
- monitoring and compiling information respecting rent increases, rent levels and any other matters relating to residential rental properties.

The guideline rent increase for 1989 was set at 3%.

	1987/88	1988/89
Applications for rent increases above 3%	7,623	6,122
Tenant objections to increases at or below 3%	132	182
non-compliance	451	358
Totals	8,206	6,662

Of 358 non-compliance cases that were processed by the Rent Regulation Bureau in the 1988/89 fiscal year, 20 were referred to the Appeals Branch to be heard by the members of an appeal panel.

RENT APPEALS BRANCH

The Residential Rent Regulation Act, enacted August 1, 1982, provides a mechanism for landlords and tenants to appeal rent increases recommended by Rent Regulation Officers. In November 1982, in recognition that an appeals function must be independent, the Rent Appeals Branch was formed. Hearings are referred by the Coordinator of Appeals to panelists appointed by Order in Council.

The following are the primary services of the Rent Appeals Branch:

1. To consider appeals by landlords or tenants of rent increases recommended by Rent Regulation Officers.

2. To consider applications for exemption from rent controls based on major rehabilitation of a project. (The Act provides for exemptions of not more than five years when approved by a panel.)

3. To consider applications for rollback of rent. The Act provides that when the director of the Rent Regulation Bureau believes that rent has been collected in excess of the permitted increase, he may ask the Coordinator of Appeals to schedule a hearing to consider whether rent should be rolled back and any overpayment, plus interest, refunded.

RENT APPEALS BRANCH
ACTIVITY SUMMARY

APPEALS	1987/88	1988/89
Landlord Initiated	2,328	1,865
Tenant Initiated	496	332
Dual	47	66
Carried Forward	1,359	188
TOTAL	4,230	2,451
HEARINGS		
Number of Hearings (Included Rehabilitation)	186	144
Number of Units Involved	3,674	2,235
Compliance hearings (Section 29 & 30)	11	5
Compliance - Units involved	26	20
DECISIONS		
Recommendation Upheld	1,647	799
Recommendation Varied	2,140	1,110

APPLICATIONS FOR REHABILITATION

	1987/88	1988/89
Approved	57	128
Rejected	94	-
TOTAL	**151**	**128**

APPLICATIONS FOR EXEMPTION

Approved	11	131
Rejected	-	-
Pending	-	44
TOTAL	**11**	**175**

THE DEPARTMENT OF HOUSING

EXPENDITURE SUMMARY BY SUB-APPROPRIATIONS

YEAR ENDED MARCH 31, 1989

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
30-1 General Administration			
a) Minister's Salary	$ 10,300	$ 10,300	$
b) Executive Support			
1) Salaries	171,700	173,600	(1,900)
2) Other expenditures	42,800	56,000	(13,200)
c) Research and Planning			
1) Salaries	419,600	444,600	(25,000)
2) Other expenditures	129,200	147,900	(18,700)
d) Communications			
1) Salaries	121,100	130,400	(9,300)
2) Other expenditures	119,600	173,500	(53,900)
e) Support Services			
1) Salaries	1,506,500	1,509,700	(3,200)
2) Other expenditures	1,251,500	1,419,300	(167,800)
Total expenditures	$3,772,300	$4,065,300	$(293,000)
30-2 Property Management and Landlord & Tenant Affairs			
a) Administration			
1) Salaries	$ 87,400	$ 87,000	$ 400
2) Other expenditures	9,100	7,800	1,300
b) Landlord and Tenant Affairs			
1) Salaries	1,904,000	2,114,500	(210,500)
2) Other expenditures	205,800	229,700	(23,900)
c) Property Management			
1) Salaries	1,002,400	1,156,000	(153,600)
2) Other expenditures	199,800	261,500	(61,700)
Total expenditures	$3,408,500	$3,856,500	$(448,000)
30-3 Program Delivery			
a) Land and Mortgage Services			
1) Salaries	$ 489,300	$ 504,200	$ (14,900)
2) Other expenditures	2,401,300	2,513,800	(112,500)

	Actual 1988-89	Estimate 1988-89	Variance Over (Under)
b) Delivery Services			
a) Salaries	715,500	688,900	26,600
2) Other expenditures	111,000	125,400	(14,400)
c) Client Services			
1) Salaries	1,540,200	1,583,400	(43,200)
2) Other Expenditures	376,300	347,500	28,800
d) Grants and Subsidies	7,039,700	7,527,100	(487,400)
Total expenditures	$12,673,300	$13,290,300	$(617,000)
30-4 Transfer Payments to MHRC	$30,102,100	$26,885,200	$3,216,900
30-5 Expenditures Related to Capital Assets			
Capital Grants	$ 40,400	$ 130,000	$(89,600)
Canada-Manitoba-Winnipeg Core Area Agreement	372,500	1,192,000	(819,500)
Less: Recoverable from Urban Affairs	(372,500)	(1,192,000)	819,500
Total expenditures	$ 40,400	$ 130,000	$(89,600)
Total expenditures for the Department of Housing	$49,996,600	$48,227,300	$(1,769,300)

THE DEPARTMENT OF HOUSING

SUMMARY STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 1989

(with comparative figures for March 31, 1988)

	1989	1988
Revenue		
Rentalsman, Administration Fees	$ 1,300	$ 3,600
Property Administration	1,900,000	1,972,500
CMHC Delivery Fees	713,800	214,000
Rural and Northern Recovery	111,200	180,900
Sundry	70,400	7,400
Total	$2,796,700	$2,378,400
Expenditures		
30-1 General Administration	$ 3,772,300	$ 3,927,800
30-2 Property Management and Landlord and Tenant Affairs	3,408,500	3,369,900
30-3 Program Delivery	12,673,300	12,164,200
30-4 Transfer Payments to MHRC	30,102,100	26,720,800
30-5 Expenditures Related to Capital Assets	40,400	251,500
Total	$49,996,600	$46,434,200

Manitoba

THE MANITOBA HOUSING AND RENEWAL CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Housing and Renewal Corporation as at March 31, 1989, and the statements of operations, The Manitoba Housing and Renewal Fund and changes in financial position and the schedule of housing program subsidies for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1989, and the results of its operations and the changes in its financial position for the year then ended, in accordance with the accounting policies described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA
Provincial Auditor

December 1, 1989
Winnipeg, Manitoba

MG-14921

THE MANITOBA HOUSING AND RENEWAL CORPORATION
BALANCE SHEET
MARCH 31, 1989
(with comparative figures for 1988)

A S S E T S

	1989	1988
Cash on deposit with the Minister of Finance and in bank	$ 14,057,191	$ 16,924,753
Accounts receivable and accruals (note 3)	22,143,551	18,236,841
Loans and mortgages receivable (note 4)	164,465,604	128,353,353
Investment in land and housing:		
Housing projects (note 5)	379,176,558	359,031,236
Housing investment (note 6)	14,557,630	11,887,017
Land inventory (note 7)	22,484,297	26,459,002
Renewal scheme (note 8)		67,272
	416,218,485	397,444,527
Corporate fixed assets (note 9)	397,156	422,757
	$617,281,987	$561,382,231

LIABILITIES AND FUND BALANCE

Accounts payable, holdbacks and accruals	$ 20,022,373	$ 20,951,337
Long-term land lease and rental subsidies received in advance (note 10)	208,992	213,199
Long-term debt (note 11)	608,988,458	545,206,721
The Manitoba Housing and Renewal Fund	(11,937,836)	(4,989,026)
	$617,281,987	$561,382,231

Approved on behalf of the Board:

_____ Director _____ Director

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 1989
(with comparative figures for 1988)

	1989	1988
Revenue:		
Grants from the Government of the Province of Manitoba (note 13)	$32,349,413	$28,501,434
Interest from sinking fund and funds held by the Minister of Finance (note 12)	2,976,598	1,985,074
Churchill Propane Distribution System, net proceeds	237,487	569,031
Other	306	45,807
	35,563,804	31,101,346
Expenditure: (note 1)		
Interest on demand notes	25,300,862	20,620,126
Less - Interest applied to construction of housing projects, land inventory and housing program subsidies	9,264,816	8,608,556
- Interest earned on loans and mortgages	13,649,770	11,481,905
Interest on demand notes not applied or recovered	2,386,276	529,665
Rent Supplement Program:		
Rent supplement and administration expenditures	3,541,256	3,340,539
Less - recovery from CMHC	1,791,842	1,598,890
Net program subsidies	1,749,414	1,741,649
Residential Rehabilitation Assistance Program:		
Loan forgiveness (note 2b)	1,954,075	1,249,087
Less - recovery from CMHC	1,479,806	936,724
	474,269	312,363
Amortization of renewal schemes	47,162	80,898
Co-op HomeStart Program Assistance	546,401	418,052
Critical Home Repair Program (note 14)	919,328	953,175
Depreciation of corporate fixed assets (note 9)	22,841	27,092
Manitoba Seniors RentalStart Program:		
Interest	235,747	
Loan forgiveness (note 2b)	3,919,799	
Mortgage subsidies	126,694	160,666
Net loss on housing projects and land sales	222,512	145,972
Non-profit housing corporations:		
Interest	262,245	228,450
Loan forgiveness (note 2c)		73,268
Non-Profit Housing Program, per schedule	2,468,528	1,850,701
Provision for loss on land (note 7)	6,428,978	3,885,196
Provision for loss on loans and mortgages	2,963,287	1,385,713
Rural and Northern Housing Program, per schedule	3,856,740	3,327,058
Urban and Rural Housing Programs, per schedule	15,476,661	14,571,965
Urban Native Non-Profit Housing Program	405,732	232,867
	42,512,614	29,924,750
Revenue (under) over expenditure transferred to The Manitoba Housing and Renewal Fund	$(6,948,810)	$ 1,176,596

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF THE MANITOBA HOUSING AND RENEWAL FUND
YEAR ENDED MARCH 31, 1989
(with comparative figures for 1988)

	1989	1988
Balance at beginning of year	$(4,989,026)	$ 239,933
Less - adjustment to reflect changes in accounting policies		6,405,555
Balance as restated	(4,989,026)	(6,165,622)
Add - revenue (under) over expenditure	(6,948,810)	1,176,596
Balance at end of year	$(11,937,836)	$(4,989,026)

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED MARCH 31, 1989
(with comparative figures for 1988)

	1989	1988
Cash provided by (used for):		
Operating activities:		
Revenue (under) over expenditure	$(6,948,810)	$ 1,176,596
Items not involving cash:		
Depreciation and amortization	2,118,990	2,011,901
Provision for loss on land	6,428,978	3,885,196
Provision for loss on loans and mortgages	2,963,287	1,385,713
	4,562,445	8,459,406
Net change in non-cash balances related to operations:		
Accounts receivable and accruals	(3,906,710)	(6,108,685)
Accounts payable, holdbacks and accruals	(928,964)	2,499,890
	(273,229)	4,850,611
Financing activities:		
Increase in long-term debt	94,460,579	84,780,328
Repayment of long-term debt	(30,678,842)	(35,180,374)
	63,781,737	49,599,954
Investing activities:		
Additions to land and housing	(36,802,117)	(46,510,877)
Less - recovery of CMHC share	4,751,539	4,929,299
	(32,050,578)	(41,581,578)
Additions to loans and mortgages	(59,801,100)	(51,031,495)
Net proceeds from disposal of land and housing	4,982,813	9,867,597
Net proceeds from repayment of loans and mortgages	20,492,795	29,753,136
	(66,376,070)	(52,992,340)
(Decrease) Increase in cash	(2,867,562)	1,458,225
Cash at beginning of year	16,924,753	15,466,528
Cash at end of year	$14,057,191	$16,924,753

THE MANITOBA HOUSING AND RENEWAL CORPORATION
SCHEDULE OF HOUSING PROGRAM SUBSIDIES
YEAR ENDED MARCH 31, 1989
(with comparative figures for 1988)

	1989	1988
Non-Profit Housing Program:		
Rental revenue	$ 6,335,921	$ 4,022,648
Expenditure:		
Property operating expenses	3,151,595	1,912,338
Grants in lieu of Municipal taxes	1,898,471	1,294,869
Administration	453,070	345,596
Depreciation and interest	10,874,273	8,260,366
	16,377,409	11,813,169
Operating Loss	10,041,488	7,790,521
Less - CMHC share of operating loss	7,572,960	5,939,820
Net program subsidies	$ 2,468,528	$ 1,850,701
Rural and Northern Housing Program:		
MHRC administered units:		
Rental revenue	$ 2,068,877	$ 1,832,661
Expenditure:		
Property operating expenses	1,211,425	1,064,291
Grants in lieu of Municipal taxes	432,918	411,523
Administration	578,857	432,105
Depreciation and interest	7,749,995	7,089,018
	9,973,195	8,996,937
Operating Loss	7,904,318	7,164,276
Less - CMHC share of operating loss	5,933,640	5,372,877
	1,970,678	1,791,399
CMHC administered units:		
MHRC share of operating loss	1,886,062	1,535,659
Net program subsidies	$ 3,856,740	$ 3,327,058
Urban and Rural Housing Programs:		
Rental revenue	$38,701,267	$35,467,289
Expenditure:		
Property operating expenses	24,820,372	23,027,807
Grants in lieu of Municipal taxes	12,927,323	12,330,577
Administration	4,221,029	4,044,202
Depreciation and interest	25,607,863	24,143,659
	67,576,587	63,546,245
Operating Loss	28,875,320	28,078,956
Less - CMHC share of operating loss	13,398,659	13,506,991
Net program subsidies	$15,476,661	$14,571,965

THE MANITOBA HOUSING AND RENEWAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1989

1. Nature of the Corporation

The Manitoba Housing and Renewal Corporation (MHRC) was established as a Crown Corporation by The Housing and Renewal Corporation Act on June 21, 1967. The objective of the Corporation is to improve standards of living accommodation in the Province of Manitoba and to assist residents to obtain living accommodation of reasonable standards.

Administrative services are provided by the Department of Housing, Province of Manitoba. Costs of these administrative services are $7,312,000 (1988 - $6,918,000) and are not reflected in these financial statements except for administrative charges amounting to $2,963,000 (1988 - $2,439,000) which are cost shared with the Canada Mortgage and Housing Corporation (CMHC).

The Corporation is economically dependent on the Government of the Province of Manitoba.

2. Significant accounting policies

a) The Corporation's financial statements are prepared using the accrual basis of accounting except for the discounts on sinking fund investments. Discounts obtained at the time of acquisition are taken into income on maturity of the related investments which are recorded at cost.

2. Significant accounting policies (continued)

b) Loan forgiveness under the Critical Home Repair Program, the Manitoba Seniors RentalStart Program and the Residential Rehabilitation Assistance Program is approved in accordance with the terms of the loan agreement and charged to operations, net of a recovery from CMHC for the Residential Rehabilitation Assistance Program, in the year that the loan is granted.

c) The Corporation participates in a CMHC administered program for non-profit corporations. Payments are issued as forgivable loans and the forgiveness conditions require that the project operate under CMHC guidelines throughout the term of the related operating agreement. Loan forgiveness is earned by the non-profit corporations in equal annual amounts over the period of the related operating agreements. The Corporation recognizes the full amount of the forgivable loans as an operating expenditure in the year they are granted.

d) Valuation, depreciation and amortization are described in subsequent notes as follows:

Housing projects	- note 5
Housing investments	- note 6
Land inventory	- note 7
Renewal scheme	- note 8
Corporate fixed assets	- note 9

3. Accounts receivable and accruals

	1989	1988
Canada Mortgage and Housing Corporation	$16,937,936	$ 9,840,829
Government of the Province of Manitoba and its agencies	593,125	4,944,601
Other - net of allowance (1989 - $327,057, 1988 - $211,207)	4,612,490	3,451,411
Accounts receivable and accruals	$22,143,551	$18,236,841

4. Loans and mortgages receivable

	1989	1988
Homes in Manitoba Programs:		
Affordable New Homes Program	$ 19,724,167	$ 31,203,490
Core Area Infill Housing Program	4,402,313	4,901,016
Buy and Renovate Housing Program	2,229,158	2,889,038
Builder Developer Housing Program	425,706	723,598
	26,781,344	39,717,142
Manitoba RentalStart Programs:		
Manitoba Urban RentalStart Program	41,458,900	31,900,235
Manitoba Rural RentalStart Program	3,567,752	2,344,201
Manitoba Seniors RentalStart Program	15,728,585	927,974
	60,755,237	35,172,410
Residential Rehabilitation Assistance Program	637,711	187,129
Less - financing provided by CMHC	478,283	147,695
	159,428	39,434
Rural and Northern Housing Program	5,042,212	5,629,558
Less - financing provided by CMHC	3,760,577	4,204,885
	1,281,635	1,424,673
Aspen Park Condominiums	1,540,095	1,711,207
Core Area Home Renovation Program	27,956	
Community Residences Program	11,682,615	7,730,099
Cooperative HomeStart Program	20,411,336	16,525,661
Cooperative Share Equity Loan Program	26,698	
Carried Forward	$122,666,344	$102,320,626

	1989	1988
4. **Loans and mortgages receivable** (continued)		
Brought Forward	$122,666,344	$102,320,626
Critical Home Repair Program	1,054,751	1,128,542
Lease/purchase land agreements	1,442,584	2,558,008
North Logan Redevelopment	419,457	463,113
Private Non-Profit Housing Program	17,834,303	5,220,149
The Pas Mobile Home Subdivision	91,424	141,930
Urban Native Non-Profit Housing Program	24,754,585	17,518,066
Other	1,156	2,919
	168,264,604	129,353,353
Less - allowance for doubtful accounts	3,799,000	1,000,000
	164,465,604	128,353,353
Forgivable loans:		
Residential Rehabilitation Assistance Program	3,063,674	1,249,087
Less - recovery from CMHC	2,297,755	936,724
	765,919	312,363
Critical Home Repair Program	1,564,500	1,381,520
Manitoba Seniors RentalStart Program	3,919,799	
Non-Profit Housing Corporation	2,112,830	2,180,196
	8,363,048	3,874,079
Less - valuation allowance	8,363,048	3,874,079
Loans and mortgages receivable	$164,465,604	$128,353,353

4. **Loans and mortgages receivable** (continued)

The Corporation has established an asset valuation allowance equal to the unearned portion of forgivable loans which effectively reduces the value of these loans to nil. As forgiveness conditions are met by the individual clients and non-profit corporations the Corporation records the annual forgiveness earned in accordance with the terms of the loan agreement thereby reducing the forgivable loan and the concomitant valuation allowance.

Mortgages under the Homes in Manitoba Programs are administered by both outside lending institutions and by MHRC. Those administered by outside lending institutions, amounting to $19,476,356 (1988 - $30,856,411), are insured by CMHC or the Mortgage Insurance Company of Canada. Those administered by MHRC, amounting to $7,304,988 (1988 - $8,860,731), and Aspen Park Condominiums are assessed a fee which is set aside in a fund to provide for any related expenses in the event of default by a mortgagor. This fund is included with accounts payable and is summarized as follows:

	1989	1988
Balance at beginning of year	$211,260	$182,954
Add - insurance fees assessed and interest	22,056	28,306
Balance at end of year	$233,316	$211,260

5. Housing projects

	1989	1988
Rural and Northern Housing Program:		
Completed - for rent	$ 31,173,789	$ 30,287,423
- for sale	7,039,053	6,269,012
Under construction	689,805	828,965
Upgrading programs - deferred capital costs	327,917	291,946
	39,230,564	37,677,346
Less - financing provided by CMHC	29,149,001	28,096,953
	10,081,563	9,580,393
Other Urban and Rural Housing Programs:		
Completed	359,346,958	343,277,404
Under construction	5,126,910	4,596,536
Upgrading programs - deferred capital costs	8,266,239	2,620,632
	372,740,107	350,494,572
Less - financing provided for upgrading programs by CMHC	3,645,112	1,043,729
	369,094,995	349,450,843
Housing projects	$379,176,558	$359,031,236

Completed housing projects are valued at capitalized cost less depreciation.

Projects under construction are valued at capitalized cost which includes direct construction costs, land acquisition, interest, grants in lieu of taxes and an administrative fee charged by the Department of Housing, Province of Manitoba.

5. **Housing projects** (continued)

The upgrading programs relate to rehabilitation and improvement costs incurred on rental units for the Urban and Rural Housing Programs and the Rural and Northern Housing Program. The rehabilitation costs are depreciated over the remaining term of the original mortgage for the Rural and Northern Housing Program and the improvement costs on a straight-line basis over ten years for the Urban and Rural Housing Programs and the Rural and Northern Program.

Under the Rural and Northern Housing Program depreciation is based on the imputed principal repayment equivalent to that of 100% debt financing with CMHC rates. Depreciation under other urban and rural housing programs is based on the actual principal repayment of the related debt.

Depreciation on housing projects is included as an expenditure in housing program subsidies.

6. **Housing investment**

Housing investment represents joint venture projects under the Rural and Northern Housing Program which are being administered by CMHC. The investment balance represents MHRC's share and is valued at capitalized cost less depreciation which is equal to the annual principal repayment of the related debt as determined by CMHC. Depreciation is included as an expenditure in the Rural and Northern Housing Program.

7. Land inventory

	1989	1988
Under development	$ 1,764,041	$ 6,404,380
Future development or sale	53,391,743	56,239,275
Leased land	1,767,405	1,798,209
	56,923,189	64,441,864
Accumulated loss provision	34,438,892	37,982,862
Land inventory, net	$22,484,297	$26,459,002

The change to the accumulated loss provision account is as follows:

	1989	1988
Balance at beginning of year	$37,982,862	$36,176,502
Add - provision for loss on land	6,428,978	3,885,196
Less - losses realized	9,972,948	2,078,836
Balance at end of year	$34,438,892	$37,982,862

Land inventory is valued at the lower of capitalized cost or appraised value adjusted for estimated disposition costs and contingencies. Capitalized cost includes acquisition costs, interest, planning and development costs, grants in lieu of taxes where applicable, less revenue derived from use of undeveloped land.

8. **Renewal scheme**

The renewal scheme is valued at cost less amortization. Amortization is based on the actual principal repayment of the related debt.

9. **Corporate fixed assets**

	1989			1988
	COST	ACCUMULATED DEPRECIATION	NET	NET
Land	$ 71,900	$	$ 71,900	$ 71,900
Buildings	357,337	100,873	256,464	264,868
Office furnishings	500,251	432,224	68,027	85,033
Construction equipment	20,607	19,842	765	956
Corporate fixed assets	$950,095	$552,939	$397,156	$422,757

Corporate fixed assets are valued at cost less depreciation provided on the following bases:

Buildings - straight-line, based on a 10 and 50 year useful life or if funded by specific long-term debt based on the annual principal repayment of the related debt, amortized over 50 years.

Office furnishings and construction equipment - 20% of the undepreciated balance.

Depreciation in the amount of $22,841, (1988 - $27,092) is reflected as a separate corporate expenditure and depreciation in the amount of $2,761 (1988 - $2,581) is included as an expenditure in the urban and rural housing programs.

10. Long-term land lease and rental subsidies received in advance

	1989	1988
Long-term land lease prepaid, expiring in 2039	$ 77,820	$ 79,359
Long-term rental subsidies received in advance from sponsors	131,172	133,840
Long-term land lease and rental subsidies	$208,992	$213,199

11. Long-term debt

	1989	1988
Government of the Province of Manitoba:		
Demand notes payable (convertible to long-term advances), at prime interest rates or fixed rates from 8 7/8% to 13 1/2 %	$220,203,983	$194,722,236
Long-term advances, at rates from 8.28% to 14.50% maturing at various dates to 2029 and requiring annual payments of $19,657,127 (1988 - $15,367,752) toward principal and interest	176,994,754	132,863,075
Canada Mortgage and Housing Corporation:		
Long-term advances - housing and land, at rates from 6 7/8% to 11% maturing at various dates to 2030 and requiring annual payments of $23,352,545 (1988 - $22,842,263) towards principal and interest	228,524,203	229,368,442
- renewal scheme, at a rate of 8 1/4% matured in 1989 and required a payment of $72,937 (1988 - $72,937) towards principal and interest		67,272
	625,722,940	557,021,025
Less: Sinking fund on deposit with the Government of the Province of Manitoba (note 12)	20,293,278	16,767,952
	605,429,662	540,253,073
Mortgages payable (assumed on property acquisitions), at rates from 5 1/8% to 14 1/4% maturing at various dates to 2028 and requiring annual payments of $369,484 (1988 - $484,574) towards principal and interest	3,558,796	4,953,648
Long-term debt	$608,988,458	$545,206,721

12. Sinking fund

	1989		1988	
	PAR VALUE	COST	PAR VALUE	COST
Bonds: (note 2a)				
Manitoba Hydro - Electric Board	$ 8,016,000	$ 6,599,060	$ 8,156,000	$ 6,618,561
Manitoba Telephone System	1,526,000	1,098,998	1,483,000	1,061,200
Government of the Province of Manitoba	3,867,000	3,813,850	3,496,000	3,454,465
Alberta Government Telephones Commission	2,000,000	1,785,000	2,000,000	1,785,000
	$15,409,000	13,296,908	$15,135,000	12,919,226
Cash, interest bearing		6,996,370		3,848,726
Sinking fund		$20,293,278		$16,767,952

MHRC is required to maintain a sinking fund on deposit with the Minister of Finance for the purpose of retiring at maturity, long-term debt which does not require annual principal repayments. The required minimum annual payment to the sinking fund must equal 4% of the sinking fund balance as at the end of the preceding fiscal year plus 1% of the advances and borrowings of MHRC other than those secured by a first mortgage on land or by an agreement or debenture that provides for the retirement of the debt by annual repayments of principal and interest. Income earned on sinking fund investments of $1,868,474 (1988 - $1,273,552) is paid to MHRC and all or a portion of the income earned is set aside in the sinking fund in addition to the minimum statutory requirement.

13. Grants from the Government of the Province of Manitoba

	1989	1988
Department of Housing:		
- MHRC operating programs	$30,102,100	$26,720,782
- Sinking fund	2,247,313	1,780,652
Grant Revenue	$32,349,413	$28,501,434

14. Critical Home Repair Program

	1989	1988
Loan forgiveness (note 2b)	$708,503	$635,844
Interest allocated	210,550	271,944
Other	275	45,387
	$919,328	$953,175

15. Commitments

The Corporation is committed to expend $58,066,576 (1988 - $88,979,789) for completion of housing under construction and for approved mortgage applications.

16. Contingencies

The Corporation is a party to certain litigation arising in the normal course of business, the aggregate effect of which, in the opinion of management, would not have a material effect on the Corporation's financial statements.

17. Guarantees

The Corporation has guaranteed the repayment of mortgages and has issued Letters of Credit guaranteeing the terms and conditions of land development agreements and construction contracts. The outstanding guarantees are as follows:

	1989	1988
Mobile Home Loan Guarantee Program	$11,538,852	$12,399,352
Rural Mortgage Lending Program	153,512	171,227
Other mortgage guarantees	1,020,642	1,238,067
Letters of Credit		128,000
Total Guarantees	$12,713,006	$13,936,646

A guarantee fee of 2% - 2 1/2% charged for each mortgage is paid into the Mortgage Insurance Fund. This fund is included with accounts payable and is summarized as follows:

	1989	1988
Balance at beginning of year	$440,931	$240,428
Add - net proceeds from claim settlements	17,785	52,420
- insurance fees assessed	68,855	124,384
- interest on cash	41,343	23,699
	568,914	440,931
Less - mortgage settlements paid	117,805	
Balance at end of year	$451,109	$440,931

18. Comparative figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.